EMTHANJENI

MUNISIPALITEIT
MUNICIPALITY

FINANSIëLE STATE
FINANCIAL STATEMENTS

2005/2006

EMTHANJENI MUNISIPALITEIT/MUNICIPALITY

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Munisipale Bestuurder:/Municipal Manager:

Mnr./Mr. I Visser
Bachelor of Commerce and Higher Diploma in Education

APPROVAL OF FINANCIAL STATEMENTS:

Approval of Financial Statement of year ended 30 June 2006 set out pages 3 to 35 were approved by the Municipal Manager on 28.08.2006 and presented to and approved by Council on 29.08.2006.

MUNICIPAL MANAGER: I VISSER

MAYOR: BK MARKMAN

MAYOR'S FOREWORD

The electorate of Emthanjeni Municipality has given us, the politicial bearers, a renewed mandate to consolidate the municipal systems that focus on community participation, integrated development planning, improved sustainable service delivery and performance management. This needs to be executed within the Constitution and legislative frameworks applicable to Municipalities.

The overriding challenges facing us in this era of service delivery is to consolidate and constitute the developmental orientation of the municipality's machinery so that it can address the challenges presented by South Africa's dual economy and more specific the economy within Emthanjeni Municipality.

The Council's commitment for a "Better life for All", reflects in its financial performance whereby expenditure controls are evident in the accumulated surplus that increased from R 9 6812 376 to R 10 514 345, that testifies about the seriousness to extent social services and economic opportunities to our communities.

Our municipality is a people centered developmental municipality which necissitate decisive intervention for improved revenue collection, accelerated service delivery, to create an enabling environment for the creation of work, jobs and economic development, effective functioning of ward committees, capacitating of elected office bearers and officials within the municipalities. The challenges will be addressed and dealt with on the "Service Delivery Training" in the Emthanjeni Municipality.

I would like to express my gratitude and to the Speaker, Executive Committee members and Councillors for their continued guidance, and also appreciation to the Municipal Manager, Department Managers and all other personnel for their support, co-operation and hard work during the past year.

I thank you.

CLR BK MARKMAN
MAYOR

REKENINGKUNDIGE BELEID

1. Basis van aanbieding

1.1 Hierdie finansiële state is opgestel om te voldoen aan die standaarde neergelê deur die Instituut van Munisipale Tesouriers en Rekenmeesters in sy **Gebruikskode vir die Rekeningkunde van Plaaslike Owerhede(1992)** en die **Verslag oor die Standaardisering van die Finansiële State van Plaaslike Owerhede (jongste gewysigde uitgawe).**

1.2 Die finansiële state word op die historiese kostebasis opgestel en aangepas vir vaste bates, soos uiteengesit in rekeningkundige beleid, item 3. Die rekeningkundige beleid stem ooreen met die van die vorige jaar, behalwe waar anders aangedui.

1.3 Die finansiële state word volgens die toevallingsgrondslag opgestel:

- Inkomste word erken wanner dit meetbaar en invorderbaar word. Sekere direkte inkomste soos verkeersboetes en sekere lisensies word erken wanneer dit betaal word.

- Uitgawe word erken in die jaar waarin dit aangegaan word.

2 Konsolidering

Die balanstaat omsluit Belasting- en Algemene Dienste, Behuisingdienste, Handelsdienste en die verskillende fondse, reserwes en voorsienings. Alle interdepartementele transaksies word teen mekaar verreken, behalwe in die geval van eiendomsbelasting, elektrisiteit, vullisverwydering en water wat as inkomste en uitgawe in die onderskeie departemente behandel word.

3 Vaste Bates

3.1 Vaste bates word getoon:

- teen historiese koste; of
- teen waardasie (gebasseer op die markprys op die datum van verkryging), waar bates deur middel van 'n toekenning of skenking verkry is,

terwyl dit bestaan en geskik is vir gebruik, behalwe in die geval van massa-bates wat aan die einde van hul beraamde lewensduur, soos vasgestel deur die tesourier, afgeskryf word.

3.2 Waardevermindering:

Die saldo wat teen die opskrif "Lenings Afgelos en Ander Kapitaalontvangste" in die aantekening tot die balansstaat getoon word, is gelykstaande aan 'n voorsiening vir waardermindering. Behalwe vir voorskotte uit die verskillende raadsfondse, kan bates ook op die volgende wyse verkry word:

- Toewysings uit inkomste, waar die volle koste van die bate 'n onmiddellike en direkte heffing teen bedryfsinkomste vorm, en dit dus nie nodig is om enige verdere voorsiening vir waardevermindering te maak nie.
- Toekenning of skenking, waar die bedrag wat die waarde van so 'n toekenning of skenking verteenwoordig, onmiddellik na die "Lenings Afgelos en Ander Kapitaalontvangste"-rekening gekrediteer word.

3.3 Die netto opbrengs uit die verkoop van roerende vaste bates word na die Wentelfonds gekrediteer. Indien onroerende bates soos grond en geboue verkoop word, word die netto opbrengs daarvan teen die Wentelfonds gekrediteer.

3.4 Kapitaalbates word uit verskillende bronne gefinansier, insluitend eksterne lenings, bedryfsinkomste en interne voorskotte. Die lenings en voorskotte word terugbetaal binne die beraamde nuttige lewensduur van die bates wat uit sodanige lenings en voorskotte gefinansier word. Rente word teen die heersende rentekoers ten tye van die toestaan van die voorskot teen die betrokke diens gedebiteer.

4 Voorraad

Voorraad word waardeer teen die laagste van koste, vasgestel volgens die geweegde gemiddelde grondslag, en die netto realiseerbare waarde.

5 Fondse en reserwes

5.1 Wentelfonds

Die Ordonnansie op die Wentelfonds, nr 20 van 1974, vereis dat 'n plaaslike owerheid 'n bydrae van 7.5% van die erfbelasting inkomste van die onmiddellik voorafgaande jaar of die vorige jaar bydrae plus 20% tot die fonds sal maak welke bydrae die kleinste die verpligte bydrae is.

5.2 Leningsdelgingsfonds

Die delging van Eksterne Lenings in die Gekonsolideerde Leningsfonds word voorsien deur die jaarlikse terugbetaling van voorskotte wat aan leendienste gemaak is, bereken volgens die beraamde nuttige lewensduur van die bates aangeskaf, dog onderhewig aan 'n maksimum van 30 jaar op die lewensduur van enige individuele bate. Interne voorskotte word in die verhouding tot die beraamde nuttige lewensduur van 'n bate terugbetaal. Die delging van staatslenings word halfjaarliks op 'n annuiteitgrondslag gedoen.

5.3 Delgingsfonds

Bogenoemde fondse was gestig met die doel on sekere lenings op die aflosdatum ten volle te vereffen en slegs die rente word halfjaarliks betaal.

5.4 Trustfonds

Bogenoemde fondse word gehou vir 'n spesifieke doel en die Raad kan op geen stadium gebruik maak van hierdie fonds vir enige ander gebruik as waarvoor die fonds oorspronklik gestig was nie.

6. Voorsienings

Voorsienings word gestig om verpligtings of gebeurlikhede wat ten tye van die balansstaat bekend is, maar waarvan die betrokke bedrae nie met redelike sekerheid bepaal kan word nie, na te kom. Voorsienings wat 'n vermindering in die waarde van gepaardgaande bedryfsbates verteenwoordig, word in die betrokke aantekeninge direk van die totaal van die betrokke bates afgetrek en dus nie afsonderlik in aantekening 12 getoon nie.

7. Aftreevoordele

Die Raad en sy werknemers dra by tot die Kaapse Gemeenskaplike Pensioenfonds en SALA, terwyl sy raadslede tot die Pensioenfonds vir Raadslede bydra.

Die aftreevoordeleplan is onderhewig aan die Wet op Pensioenfondse, 1956 en pensioene word bereken volgens die laaste pensioendraende vergoeding betaal. Huidige bydraes word teen bedryfsinkomste gehef, gegrond op huidige dienskoste. Ongunstige ondervindingsaanpassings en die koste van die versekering van verhoogde voordele word afgeskryf oor die kleinste van die oorblywende dienstydperk van werknemers of vyf jaar. Gunstige ondervindingsaanpassings word in die aftreevoordeleplan behou.

8. Oorskotte en tekorte

Enige oorskotte of tekorte wat uit die bedryf van Elektrisiteits- en Waterdienste voortspruit, word ten volle na Belasting- en Algemene Dienste oorgedra.

9. Behandeling van administratiewe en ander koste

Die koste van interne hulpdienste word, in ooreenstemming met die riglyne in die Instituut se Verslag oor die Rekeningkundige Behandeling (1990), teen die verskillende dienste gedebiteer.

10. Bruikhuur – bates

Die Raad beskik oor geen bruikhuur – bates nie.

11. Beleggings

Beleggings word teen die laagste van koste of markwaarde getoon indien daar 'n voortdurende afname in waarde is. Beleggings word gedoen ooreenkomstig Omsendbrief nr LG/PB/31/1992 van 28 September 1992 en Omsendbrief C/35/1994 van 13 Julie 1994 soos uitgereik deur Tak Gemeenskapsdienste.

12. Uitgestelde Koste

Die Raad beskik oor geen uitgestelde koste nie.

13. Inkomste-erkenning

13.1 Elektrisiteit en waterheffings

Meters in alle gebiede en op standplase met hoogspanningstoevoer word maandeliks gelees en gefaktureer.

13.2 Eiendomsbelasting

Emthanjeni Munisipaliteit maak van 'n gedifferensieerde terreinwaarde-belastingstelsel gebruik. Volgens hierdie stelstel word eiendomsbelasting op die grondwaarde van eiendomme gehef. Die besigheidspersele betaal ook 'n klein heffing vir parkering. Verligting word aan behoeftige en bejaarde eienaars op grond van inkomste en ouderdom gegee.

13.3 Ander inkomste

Die inkomste van dienste soos vullisverwydering en riolering wat deur middel van debiteure verhaal word, word erken wanner sodanige heffings teen die rekenings gedebiteer word. Die inkomste uit ander (kleiner) dienste, lisensies of gelde word erken wanner dit betaal word.

14 Gekonsolideerde Leningsfonds

Die kapitaalhulpbronne van die Gekonsolideerde Leningsfonds bestaan uit beide eksterne en interne lenings. Voorskotte word aan die leendienste toegestaan teen 'n rentekoers gelykstaande aan die koste van die Fonds se kapitaalbehoeftes, en word terugbetaal oor die nuttige lewensduur van die bates wat so gefinansier word.

ACCOUNTING POLICIES

1. Basis of presentation

1.1 The financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Practice (1992) and Report on Published Annual Financial Statements (Second Edition - January 1996).

1.2 The financial statements are prepared on the historical cost basis and adjusted for fixed assets, as set out in accounting policy, note 3. The accounting policies are consistent with those applied in the previous year, except where otherwise indicated.

1.3 The financial statements are prepared according to the accrual basis:

- Income is accrued when measurable and available to finance operations. Certain direct income, such as traffic fines and certain licenses, is accrued when received.
- Expenditure is accrued in the year it is incurred.

2. Consolidation

The financial statements include Rates and General Services, Housing Services, Trading Services and the different funds, reserves and provisions. All interdepartmental transactions are set-off against one another, with the exception of assessment rates, electricity, refuse removal and water, which are treated as income and expenditure in the respective departments.

3. Fixed Assets

3.1 Fixed Assets are stated:

- at historical cost, or
- at valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the treasurer.

3.2 Depreciation:

The balance shown in the heading "Loans Redeemed and Other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation. Apart from provisions from the various council funds, assets may also be acquired through:

- Appropriations from income, where the full cost of the asset forms an immediate and direct charge against the operating income and it is therefore unnecessary to make any further provision for depreciation.
- Grant and donation, where the amount representing the value of such a grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.

3.3 All net proceeds from the sale of movable property are credited to the revolving fund. Net proceeds from the sale of all fixed assets are credited to the revolving fund.

3.4 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time that the advance is made.

4. Stock

Stock is valued at the lower of cost, determined on the weighted average basis, and net realisable value.

5. Funds and reserves

5.5 Revolving Fund

The Ordinance on Revolving Funds, no 20 of 1974, requires that a local authority makes a contribution of 7,5% of the rates assessment income for the immediately preceding year or the previous year's contribution plus 20% to the fund, whichever contribution is the smallest of the compulsory contribution.

5.6 Loan redemption fund

The redemption of External Loans in the Consolidated Loan Fund is provided through the annual repayment of advances made to the borrowing services, calculated according to the estimated useful lives of the assets acquired, but still subject to a maximum of 30 years on the life expectancy of any individual asset. Internal loans are repaid proportionately according to the expected useful lives of an asset. The redemption of government loans are done half yearly on an annuity basis.

5.7 Redemption fund

This fund was established with the primary objective of redeeming certain loans in full on the redemption date with only the interest being payable six monthly.

5.8 Trust Funds

The fund was established for a specific purpose. Council may not use these funds for any other purposes.

6. Provisions

Provisions are made to meet liabilities or contingencies, known at the time of the balance sheet, but for which the amounts concerned cannot be estimated with reasonable certainty. Provisions, which represent a reduction in the value of the assets concerned, are in the applicable notes deducted directly from the total of the assets concerned and are not therefore shown separately in note 12.

7. Retirement Benefits

Council and its employees contribute to the Cape Joint Pension Fund and SALA. Councillors contribute to the Pension Fund for Councillors.

The retirement benefit plan is subject to the Pensions Act of 1956 with pensions being calculated on the final pensionable remuneration paid. Current contributions are charged against operating income on the basis of current service cost. Unfavourable experience adjustments and the cost of insurance of increased benefits is written off over the smallest of the remaining service period of employees or five years. Favourable experience adjustments are retained in the retirement benefit plan.

6. Surpluses and deficits

Any surpluses or deficits arising from the operation of electricity and water services are transferred to Rates and General Services.

7. Treatment of administration and other overhead expenses

The cost of internal support is transferred to the different services in accordance with the Institute Report on Accounting for Support Services (1990).

8. Leased assets

The Council does not have any leased assets.

9. Investments

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred. Investments are made in accordance with Circular no LG/PB/31/1992 of 28 September 1992 and Circular no C/35/1994 of 13 July 1994 as issued by Provincial Administration - Community Service Branch.

10. Deferred charges

The council has no deferred charges.

11. Income recognition

13.1 Electricity and water billings

Meters in all areas and on plots with high voltage supply are read and billed monthly.

13.2 Assessment rates

Emthanjeni Municipality applies a differential tariff rating system.. In terms of this system assessment rates are levied on the land value of the property. Businesses also pay a small amount for parking. Discount is given based on conditions relating to age and income.

14.3 Other income

Income from services like refuse removal and sewerage, which are recouped through debtors, are recognised as soon as such services are debited against the accounts. Income from smaller services, licences or monies are recognised when they are paid.

15 Consolidated Loans Fund

The capital resources of the Consolidated Loan Fund consist of both external and internal loans. Advances are made to borrowing departments at an interest rate equal to the cost of the Fund's capital requirements and are repaid over the useful life of the asset acquired.

VERSLAG VAN DIE HOOF FINANSIëLE BEAMPTE

1. Inleiding

Dit is vir my aangenaam om 'n beknopte oorsig oor die afgelope finansiële jaar se bedryfsresultate te gee.

Die 2006 finansiële jaar het 'n bedryfsurpus van R130 791 gerealiseer. Met inagneming van die jaar se aanwendings het die bedryfsoorskot gestyg tot R10 514 345. Die grootste komponent van die oorskot is egter vervat in handelsdebiteure en verteenwoordig nie kontant nie.

Debiteure

1.1.1) Handelsdebiteure het toegeneem van R32 313201 na R35 290 885, wat 'n toename van 9.19 % beteken. Die voorsiening vir oninbare skuld beloop tans R9 800 685 wat 27.78 % van totale debiteure verteenwoordig. 'n Totale bedrae van R3 124 810 op debiteure saldos was afgeskryf gedurende die jaar.

Bank

Die oortrokke kasboeksaldo het met R321 023 toegeneem vanaf R4 703 329 na R5 024 352.

2. Bedryfsresultate

Inkomste	Werklike 2005	Werklike 2006	Afwyking 2005 teenoor 2006	Begroot 2006	Afwyking Werklike/Begroot
	R	R	%	R	%
Begin oorskot	5,239,317	9,682,376			
Bedryfsinkomste vir die jaar	53,571,470	60,115,970	12.22%	60,730,700	-1.01%
Eind Tekort					
Totaal	58,810,787	69,798,346		60,730,700	
Begin oorskot					
Bedryfsuitgawe vir die jaar	52,613,585	59,985,180	14.01%	60,730,400	-1.23%
Diverse Oodragte	3,485,173	701,178			
Eind oorskot	9,682,376	10,514,345			

2.1 BEDRYFSUITGAWES

As gevolg van die uitstaande debiteure en ook die heersende ekonomiese klimaat was `n streng beleid op uitgawes toegepas.

Hieronder is `n uiteensetting van die begrote bedryfsuitgawes teenoor die werklike:

	Salarisse Lone & Toelaes R	Algemene Uitgawes R	Instand-houding R	Kapitaal Onkoste R	Kapitaal uit Inkomste R	Bydraes R
Begroot	26,385,400	24,855,200	3,238,600	2,180,600	3,350,600	720,000
Werklike	22,176,845	26,146,942	3,431,824	2,030,998	3,754,620	2,443,954
Verskil	4,208,555	-1,291,742	-193,224	149,602	-404,020	-1,723,954
% (Oor)/Onder	15.95%	-5.20%	-5.97%	6.86%	-12.06%	-239.44%

2.2 Handelsdienste (Elektrisiteit)

Die elektrisiteitsdiens het 'n surplus van R4 946 969 gerealiseer teenoor 'n begrote surplus van R5323100. Hierdie tekort kan hoofsaaklik toegeskryf word aan 'n ooroptimistiese inkomste skatting wat nie gerealiseer het nie.

Die waterdiens het 'n surplus van R5 853 666 gerealiseer teenoor die begrote syfer van R6 155 900. Hierdie tekort kan hoofsaaklik toegeskryf word aan 'n ooroptimistiese inkomste skatting wat nie gerealiseer het nie.

2.3 Behuisingsdienste

Behuisingsdienste het met `n tekort van R1 013 061 afgesluit.

2.4 Ekonomiese Dienste

Riool en Vullisverwydering

Riool het met `n surplus van R2 966 874 afgesluit en Vullis met `n surplus van R1 350 224.

2.5 Belasting en Algemene Dienste

Die drie grootste gebruikers van raadsfondse in hierdie afdeling was Strate wat 'n tekort van R3 517 756 gehad het, Administrasie met R3 102 849 en Raadsuitgawes met 'n tekort van R3 014 503.

Belasting en Algemene Dienste

	Werklike	Werklike	Afwyking	Begroot	Afwyking
	2005	2006	2005/2006	2006	Werklike/begroot
	R		%	R	%
Inkomste	27,888,562	31,878,511	14.31%	26,642,268	-19.65%
Uitgawe	36,820,335	41,535,293	12.81%	39,050,850	-6.36%
Oorskot/(Tekort)	-8,931,773	-9,656,782	8.12%	-12,408,582	22.18%
Tekort as % van					
totale inkomste	-32.03%	-30.29%		-46.57%	

Behuising

	Werklike	Werklike	Afwyking	Begroot	Afwyking
	2005	2006	2005/2006	2006	Werklike/begroot
	R	R	%	R	%
Inkomste	50,334	33,560	-33.33%	2,000	-1578.01%
Uitgawe	25,356	1,046,621	4027.71%	27,144	-3755.81%
Oorskot/(Tekort)	24,978	-1,013,061	-4155.81%	-25,144	-3929.04%
Oorskot/(Tekort) as %					
van totale inkomste	49.62%	-3018.65%		-1257.20%	

Handelsdienste

Die aankooppryse van Water en Elektrisiteit word voorskriftelik gedoen vanaf ESKOM asook die privaatwater weens die kontrakte wat bestaan. Elektrisiteit tariewe word deur die NER voorgeskryf.

Hieronder volg opsommings van die bedryfsresultate van die twee Handelsdienste:

Water

	Werklike	Werklike	Afwyking	Begroot	Afwyking
	2005	2006	2005/2006	2006	Werklike/begroot
	R	R	R	R	%
Inkomste	8,336,237	9,184,233	10.17%	10,501,616	12.54%
Uitgawe	2,409,200	3,330,567	38.24%	3,119,607	-6.76%
Oorskot/(Tekort)	5,927,037	5,853,666	-1.24%	7,382,009	20.70%
Oorskot/(Tekort) as %					
van totale inkomste	71.10%	63.74%		70.29%	

Elektrisiteit

	Werklike	Werklike	Afwyking	Begroot	Afwyking
	2005	2006	2005/2006	2006	Werklike/begroot
	R	R	R	R	%
Inkomste	17,296,337	19,019,667	9.96%	19,755,332	3.72%
Uitgawe	13,358,694	14,072,698	5.34%	14,703,615	4.29%
Oorskot	3,937,643	4,946,969	25.63%	5,051,717	2.07%
Oorskot as % van					
totale inkomste	22.77%	26.01%		25.57%	

3. Kapitaaluitgawes en finansiering

	Werklike 2004/2005 R	Begroot 2005/2006	Werklike 2005/2006 R
Belasting Algemeen	0		
Raadsvoertuie	0		
Grond	142,634		
Geboue	19,665	80,000	246,443
Sportgronde en Parke	266,855		482,066
Strate	2,273,429	2,100,000	1,350,257
Swembad			13,580
Riolering	1,441,223		1,241,387
Saniteit	1,870,608		364,342
Meubels & Toerusting			142,459
Bedryfstoerusting			176,282
Begraafplaas		300,000	300,000
Verkeerstekens			
Behuising	93,138	207,000	193,452
Water	1,281,619	3,470,000	3,412,263
Elektrisiteit	695,625	630,000	3,938,401
Ander	245,775	477,000	
Totaal	8,330,571	7,264,000	11,860,932

Hulpbronne wat gebruik is om die vaste bates te finansier, was die volgende:

	Werklik 2004/2005 R	Begroot 2005/2006	Werklik 2005/2006 R
Skenking	3,246,803	3,457,000	7,847,375
Bydraes uit bedyfsinkomste	2,417,613	3,807,000	4,013,557
Lenings opgeneem	2,666,153		
Totaal	8,330,569	7,264,000	11,860,932

4. Eksterne Lenings, beleggings en kontant

Op 30 Junie 2006 het die uitstaande eksterne lenings R9 783 727 (R10 473 385 in 2005) en interne lenings R625 186 (R681 838 in 2005).

Meer besonderhede aangaande lenings en beleggings word in aantekeninge 4 en 7 en aanhangsel B tot die finansiële state getoon.

n Belegging van R4 000 000 word as kollaterale sekuriteit vir die raad se oortrokke bankrekening gehou.

5. Buitengewone items

6. Fondse en Reserwes

Meer besonderhede aangaande fondse en reserwes word in aantekeninge 1 tot 3 en aanhangsel A gegee.

Ter afsluiting wil ek net my bedanking uitspreek teenoor die Raad, Munisipale Bestuurder, Departementshoofde en personeel vir hulle ondersteuning.

Dankie

Hoof Finansiele Beampte

28/08/2006

Datum

REPORT OF THE CHIEF FINANCIAL OFFICER

1. Introduction

It is my pleasure to present an overview of the operating results for the year ended 30 June 2005.

The 2006 financial year generated an operating surplus of R130 791. Taking the year appropriations into account, the nett surplus has increased to R10 514 345. The largest component of this surplus is however captured in outstanding debtors and does not constitute cash on hand.

Debtors

1) Trade debtors increased from R32 313 201 to R35 290 885, a increase of 9.19 %.
The provision for bad debts amounted to R9 800 685 which accounts for 38% of total outstanding debtors. A total amount of R3 124 810 in unrecoverable debtors balances was written off during the year.

Bank

The bank overdraft increased with R321 023 from R 4 703 329 to R5 024 352.

2. Operating results

Income	Actual	Actual	Variance	Budget	Variance
	2004	2005	2004/2005	2005	Actual/Budget
	R	R	%	R	%
Opening surplus	5,239,317	9,682,375		0	
Operating income for the year	53,571,470	60,115,970	12.22%	60,730,700	-1.01%
Closing deficit					
Total	58,810,787	69,798,345		60,730,700	
Opening deficit					
Operating expenditure for the year	52,613,585	59,985,180	14.01%	60,730,400	-1.23%
Sundry transfers	3,485,173	701,178			
Closing surplus	9,682,375	10,514,344		300	

2.1 OPERATING EXPENSES

Outstanding debtors, as well as the current economic situation, resulted in stringent control over expenditure. Follow is a summary of budgeted operating expenditure against actual expenditure.

	Salaries wages & allowances R	General Expenses R	Maintenance R	Capital charges R	Capital from Income R	Contri-butions R
Budget	26,385,400	24,855,200	3,238,600	2,180,600	3,350,600	720,000
Actual	22,176,845	26,146,942	3,431,824	2,030,998	3,754,620	2,443,954
Difference	4,208,555	-1,291,742	-193,224	149,602	-404,020	-1,723,954
% (Over)/Under	15.95%	-5.20%	-5.97%	6.86%	-12.06%	-239.44%

2.2 Trading services (Electricity)

The Electricity servicehas realised a surplus of R4 946 969 against a budgeted surplus of R5 323 100. This can be attributed to an overoptimistic income estimate which did not realise.

Water services realised a surplus of R5 853 666 against a budgeted R6 155 900. This can also be attributed to an overoptimistic income estimate which did not realise.

2.3 Housing services

Housing services realised a deficit of R1 013 061 for the financial year.

2.4 Economic services

Sewerage and refuse

Sewerage closed with a surplus of R2 966 874 and refuse closed with a surplus of R1 350 224.

2.5 Rates and general services

The three largest consumers of council funds in this category were Streets with a deficit of R3 517 756, Administration with R3 102 849 and Council expenses with a deficit of R3 014 503.

Rates and general services

	Actual	Actual	Variance	Budget	Variance
	2004	2005	2004/2005	2005	Actual/Budget
	R	R	%	R	%
Income	27,888,562	31,878,511	14.31%	26,642,268	-19.65%
Expenditure	36,820,335	41,535,293	12.81%	39,050,850	-6.36%
Surplus/(Deficit)	-8,931,773	-9,656,782	8.12%	-12,408,582	22.18%
Surplus/(Deficit) as					
% of total income	-32.03%	-30.29%		-46.57%	

Housing

	Actual	Actual	Variance	Budget	Variance
	2004	2005	2004/2005	2005	Actual/Budget
	R	R	%	R	%
Income	50,334	33,560	-33.33%	2,000	-1578.01%
Expenditure	25,356	1,046,621	4027.71%	27,144	-3755.81%
Surplus/(Deficit)	24,978	-1,013,061	-4155.81%	-25,144	-3929.04%
Surplus/(Deficit) as					
% of total income	49.62%	-3018.65%		-1257.20%	

Trading services

The bulk purchase of water and electricity are regulated by ESCOM, as well as the private water as a result of existing contracts. Electricity tariff are regulated by the NER.

Following is a summary of the operating results of the two trading services:

Water

	Actual	Actual	Variance	Budget	Variance
	2004	2005	2004/2005	2005	Actual/Budget
	R	R	R	R	%
Income	8,336,237	9,184,233	10.17%	10,501,616	12.54%
Expenditure	2,409,200	3,330,567	38.24%	3,119,607	-6.76%
Surplus/(Deficit)	5,927,037	5,853,666	-1.24%	7,382,009	20.70%
Surplus/(Deficit) as					
% of total income	71.10%	63.74%		70.29%	

Electricity

	Actual	Actual	Variance	Budget	Variance
	2004	2005	2004/2005	2005	Actual/Budget
	R	R	R	R	%
Income	17,296,337	19,019,667	9.96%	19,755,332	3.72%
Expenditure	13,358,694	14,072,698	5.34%	14,703,615	4.29%
Surplus/(Deficit)	3,937,643	4,946,969	25.63%	5,051,717	2.07%
Surplus/(Deficit) as					
% of total income	22.77%	26.01%		25.57%	

3. Capital expenditure and financing

	Actual 2004.2005 R	Budget 2005/2006 R	Actual 2005/2006 R
Rates and general	-	-	-
Council vehicles	-	-	-
Land	142,634	-	-
Buildings	19,665	80,000	246,443
Parks and recreation	266,855	-	482,066
Streets	2,273,429	2,100,000	1,350,257
Swimming pool	-	-	13,580
Sewerage	1,441,223	-	1,241,387
Sanitary	1,870,608	-	364,342
Furniture and equipment	-	-	142,459
Operating equipment	-	-	176,282
Mziwabantu	-	300,000	300,000
Traffic signs	-	-	-
Housing	93,138	207,000	193,452
Water	1,281,619	3,470,000	3,412,263
Electricity	695,625	630,000	3,938,401
Other	245,775	477,000	-
Total	8,330,571	7,264,000	11,860,932

Resources used to financed fixed assets are as follow:

	Actual 2004/2005 R	Budget 2005/2006 R	Actual 2005/2006 R
Donations	3,246,803	3,457,000	7,847,375
Contributions from operating income	2,417,613	3,807,000	4,013,557
Loans	2,666,153		-
Total	8,330,569	7,264,000	11,860,932

4. External loans, investments and cash

On 30 June 2006 external loans amounted to R9 783 727 (R10 473 385 in 2005) and internal loans amounted to R625 186 (R681 838 in 2005).

More information regarding loans and investments are disclosed in notes (4 and 7) and Appendix B' to the financial statements.

An investment of R4 000 000 is ceded as collateral for councils bank overdraft.

5. Extraordinary items

6. Funds and reserves

All reserve and trust funds were written off.

More information regarding funds and reserves are disclosed in notes 1 to 3 and Appendix 'A' to the financial statements.

In conclusion I would like to express my appreciation to the Council, Municipal Manager, Departmental Heads and all other personnel for their support, co-operation and hard work during the past year

Thank you

Chief Financial Officer

28/08/2006

Date

BALANSSTAAT SOOS OP 30 JUNIE 2006
BALANCE SHEET AS AT 30 JUNE 2006

	Aant Note	2005/2006	2004/2005
KAPITAAL AANGEWEND/ CAPITAL EMPLOYED			
FONDSE EN RESERWES/FUNDS AND RESERVES		19,871,928	17,936,871
Statutêre fondse en ander fondse/Statutory and other Funds	1	19,871,928	17,936,871
Reserwes/Reserves	2		-
OPGEHOOPTE TEKORT/ACCUMULATED DEFICIT ONAANGEWENDE INKOMSTE/RETAINED SURPLUS	18	10,514,345	9,682,374
		30,386,273	27,619,245
TRUSTFONDSE/TRUST FUNDS	3	-	-
LANGTERMYN VERPLIGTINGS/LONG-TERM LIABILITIES	4	8,559,107	9,803,656
VERBRUIKERSDEPOSITO'S/CONSUMER DEPOSITS	5	1,137,888	1,104,369
		40,083,269	38,527,270
AANWENDING VAN KAPITAAL EMPLOYMENT OF CAPITAL			
VASTE BATES/FIXED ASSETS	6	10,408,914	11,155,222
BELEGGINGS/INVESTMENTS			
LANGTERMYN DEBITEURE/LONG-TERM DEBTORS	8	98,103	143,587
		10,507,017	11,298,809
NETTO BEDRYFSBATES /(LASTE)/ NET CURRENT ASSETS(LIABILITIES)		29,576,252	27,228,460
BEDRYFSBATES/CURRENT ASSETS		44,886,393	42,911,013
Voorraad/Stock	9	328,908	453,978
Debiteure/Debtors	10	35,290,885	32,436,291
Beleggings/ Investments	7	9,237,736	10,009,748
Langtermyndebiteure: Korttermyn gedeelte/Long-term debtors: S	8	27,405	9,996
Bank		-	-
Kontant/Cash		1,460	1,000
BEDRYFSLASTE/CURRENT LIABILITIES		15,310,141	15,682,553
Krediteure/Creditors	13	6,653,114	9,520,777
Voorsienings/Provisions	12	2,408,054	788,719
Lenings : Korttermyn gedeelte		-	-
Loans : Short term portion	4	1,224,620	669,728
Bankoortrekking/Bank overdraft		5,024,352	4,703,329
		40,083,269	38,527,269

I Visser
Munisipale Bestuurder
Municipal Manager

E Faas
Hoof Finansiële Beampte
Chief Financial Officer

INKOMSTESTAAT VIR DIE BOEKJAAR GEëINDIG OP 30 JUNIE 2006
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

2004/2005 Werklike Inkomste Actual Income R	2004/2005 Werklike Uitgawe Actual Expenditure R	2004/2005 Oorskot/ (Tekort) Surplus/ Deficit R		2005/2006 Werklike Inkomste Actual Income R	2005/2006 Werklike Uitgawe Actual Expenditure R	2005/2006 Oorskot/ (Tekort) Surplus/ Deficit R	2005/2006 Begroting Oorskot /Tekort Budget Surplus/(Deficit) R
27,888,562	36,820,335	-8,931,773	**BELASTING & ALGEMENEDIENSTE/ RATES AND GENERAL SERVICES**	31,878,511	41,535,293	-9,656,782	-9,193,500
17,310,592	29,528,010	-12,217,418	Gemeenskapsdienste/Community services	19,278,450	31,888,932	-12,610,481	-11,946,300
12,121	1,800,814	-1,788,693	Gesubsidieerde dienste/Subsidised services	699,158	2,358,651	-1,659,493	-1,257,100
10,565,849	5,491,511	5,074,338	Ekonomiese dienste/Economic services	11,900,903	7,287,710	4,613,192	4,009,900
50,334	25,356	24,978	**BEHUISINGSDIENSTE/HOUSING SERVICES**	33,560	1,046,621	-1,013,061	-2,285,200
25,632,574	15,767,894	9,864,680	**HANDELSDIENSTE/TRADING SERVICES**	28,203,900	17,403,265	10,800,635	11,479,000
53,571,470	52,613,585	957,885	**TOTAAL/TOTAL**	60,115,970	59,985,180	130,791	300
		3,485,173	Aanwendings vir die jaar/Appropriations for the year			701,178	
		4,443,058	Netto Oorskot/ (Tekort) vir die jaar Net Surplus/(Deficit) for the year			831,969	
		5,239,318	Onaangewende Oorskot /(Opgehoopte Tekort) begin van die jaar Accumulated surplus/(Deficit) beginning of the year			9,682,376	
		9,682,376	ONAANGEWENDE OORSKOT/(TEKORT) EINDE VAN JAAR ACCUMULATED SURPLUS/(DEFICIT END OF YEAR			10,514,345	

KONTANTVLOEISTAAT VIR DIE JAAR GEëINDIG OP 30 JUNIE 2006
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Aant Note	2005/2006	2004/2005
KONTANT TERUGGEHOU UIT BEDRYWIGHEDE			
CASH RETAINED FROM OPERATING ACTIVITIES		11,498,424	3,966,520
Kontant deur bedrywighede voortgebring/Cash generated by operations	19	10,306,217	11,883,738
Beleggingsinkomste/Investment income	17	2,672,474	1,705,373
(Toename)/afname in bedryfskapitaal/(Increase)/Decrease in working capital	20	-4,798,448	-10,102,605
		8,180,244	3,486,506
Min: Eksterne rente betaal/Less External interest paid	17	1,079,103	830,641
Kontant beskikbaar uit bedrywighede/Cash available from operations		7,101,141	2,655,865
Kontantbydraes van die publiek en die staat/Cash contributions from public and State		4,397,283	1,310,655
Netto opbrengs uit verkoop van vaste bates/Net proceeds on disposal of fixed assets		-	0
KONTANT GEBRUIK VIR BELEGGINGSBEDRYWIGHEDE			
CASH UTILISED IN INVESTING ACTIVITIES			
Belegging in vaste bates/Investment in Fixed assets		-11,947,129	-8,330,569
NETTO KONTANTVLOEI/NET CASH FLOW		-448,705	-4,364,049
KONTANTUITWERKING VAN FINANSIERINGSBEDRYWIGHEDE			
CASH EFFECTS OF FINANCIAL ACTIVITIES			
Toename/(Afname) in langtermynlenings/Increase/(Decrease) in long-term loans	21	-689,657	3,084,026
Toename/(Afname) in korttermynlenings/Increase/(Decrease in short-term loans		-	-
(Toename)/Afname in kontantbeleggings/(Increase)/Decrease in cash investments	22	772,012	-1,688,815
(Toename)/Afname in kontant/(Increase)/Decrease in cash	23	320,563	2,968,837
NETTO KONTANT (VOORTGEBRING)/GEBRUIK/NET CASH (GENERATED)/UTILISED		402,919	4,364,048

AANTEKENINGE TOT DIE FINANSIëLE STATE SOOS OP 30 JUNIE 2006
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	2005/2006	2004/2005
1. Statutêre fondse en ander fondse:		
Statutory funds and other funds:		
Wentelfonds/Revolving fund	16,264,044	15,756,190
Britstown Water Research	2,996,806	
Library Fund	140,671	
Delgingsfonds/Redemption fund	339,447	1,001,205
Hondebelastingsfonds/Dog Tax fund	129,161	120,711
Ander Fondse/Other Funds		
LED Veg Tunnel	0	393,032
Finance Management Grant	1,798	665,733
	19,871,928	17,936,871

(Sien aanhangsel "A" vir meer besonderhede)
(Refer to appendix "A" for more details)

2. Reserwes:
Reserves:

-	-

3. Trustfondse:
Trust funds:

-	-

AANTEKENINGE TOT DIE FINANSIëLE STATE SOOS OP 30 JUNIE 2006
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	2005/2006	2004/2005
4. Langtermynverpligtinge / Long-term Liabilities		
Staatslenings/Government loans	0	636,362
Privaat lenings/Private loans	265,675	0
DBSA	9,518,052	9,837,022
	9,783,727	10,473,384
Min: Onbestede geld/Less: Unspent monies	-1,224,620	-669,728
Min: Korttermyngedeelte/Less: Short-term portion	-	-
	-1,224,620	-669,728
	8,559,107	9,803,656

Eksterne Lenings is by verskeie Staats goedgekeurde instansies en van die Banke opgeneem en termyne wissel van 5 tot 30 jaar en rentekoerse van 2% tot 15.85% /
External loans were advanced by various Government approved institutions are repayable over periods from 5 to 30 years. They bear interest at rates from 2% to 15.85%.

Interne lenings word opgeneem uit die Wentelfonds en termyne wissel van 5 tot 25 jaar en rentekoerse van 3% tot 13%/
Internal loans are advanced by the Revolving fund and terms fluctuate from 5 to 25 years. Interest rates are between 3% to 13%.

Geen lenings word deur bates van Emthanjeni Munisipaliteit verseker nie.
None of the loans are secured by any assets of the Council.

Sien aanhangsel B vir meer besonderhede.
Refer to appendix B for more information.

5. Verbruikersdeposito's: dienste / Consumer Deposits		
Elektrisiteit en water/Electricity and water	1,137,888	1,104,369
6. Vaste bates: / Fixed Assets		
Vaste bates aan die begin van die jaar/ Fixed Assets at the beginning of the year	182,623,244	174,462,338
Vaste bates gedurende die jaar aangeskaf of ontvang/ Fixed Assets acquired during the year+B16	11,947,129	8,330,569
Min: Bates gedurende die jaar afgeskryf,oorgeplaas of mee weggedoen/ Less: Fixed Assets written off, transferred or sold	1,028,057	-169,665
Totale Vaste bates/Total fixed assets	193,542,316	182,623,242
Min: Lenings gedelg en ander kapitaalontvangstes Less: Loans redeemed and other capital receipts	-183,133,402	-171,468,019
Netto Vaste Bates/Net Fixed Assets	10,408,914	11,155,223

Sien aanhangsel C vir meer besonderhede.
Refer to Appendix C for more information.

AANTEKENINGE TOT DIE FINANSIELE STATE SOOS OP 30 JUNIE 2006
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

7. Beleggings
Investments

	2005/2006	2004/2005
Ongenoteerde beleggings teen bestuur se waardasie Unlisted investments at management valuation		
Wentelfonds/Revolving fund		
Lenings delgingstonds/Loan redemption fund	1,315,388	1,511,432
Hondebelasting/Dog tax	339,447	317,240
Beleggings - Algemeen/Investments - General	129,161	120,711
	7,453,740	8,060,365
	9,237,736	10,009,748
Gemiddelde opbrengskoers op Beleggings (Bruto) Average gross rate of return on investments	13.28%	13.28%

Omsendbrief nr C35/1994 gedateer 13/07/1994 wat deur Tak Gemeenskapsdienste uitgereik is, vereis van Plaaslike Owerhede om fondse wat nie onmiddellik benodig word nie, by voorgeskrewe instellings te belê. Die beleggingstydperke moet sodanig wees dat dit nie nodig sal wees om geld teen 'n hoeë rentekoers te leen ten einde verpligtinge na te kom nie

Circular no C 35 of 1994 issued by Provincial Administration - Community Service Branch, requires local authorities to invest funds, which are not immediately required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a plenary rate to meet commitments

Die oortrokke bankrekening word verseker deur bogenoemde beleggings en word vanwee die finansiele posisie van die Raad as langtermyn-aard geklassifiseer
The above investments were ceded to secure the bank overdraft and are classified as long-term because of the financial situation of the Council

8. Langtermyndebiteure:
Long-term debtors

Sentrale Karoo Skou/Central Karoo Show		
De Aar Bureklub/De Aar Country Club	24,994	42,940
Motorlenings/Motor vehicle loans	100,514	110,510
Studielenings/Study loans	-	-
	0	133
Min: Kortermyngedeelte/Less: Short-term portion	125,508	153,583
	-27,405	-9,996
	98,103	143,587

9. Voorraad:
Stock:

Voorraad word waardeer soos in aantekening 4 van die rekeningkundige beleid uiteengesit Stock are valued as stated per note 4 of the accounting policies	228,908	463,977

10. Debiteure:
Debtors

	Current	30 Days	60 Days	90 Days	Total	
Debiteure (Verbruikers)/Debtors(Consumers)						
- Water	310,145	615,734	448,908	8,862,540	39,226,067	22,966,359
- Elektrisiteit/Electricity	1,651,281	1,721,406	473,149	5,505,877	11,250,585	8,798,315
- Sewerage/Riool	283,338	372,648	249,590	7,822,354	8,141,928	6,588,606
- Refuse/Vullis verwydering	94,103	198,708	136,405	4,993,199	5,478,649	7,585,402
- Property Tax/ Erf Belasting	49,633	348,713	178,163	5,464,776	5,323,630	5,186,996
					5,991,315	4,804,844
Ander Debiteure/ Other Debtors						
Previous Hanover and Britstown accounts (MRS)						
Housing					1,978,789	2,394,456
Rental					6,027,151	5,996,776
Commonage					402,647	260,286
Other debtors					359,172	289,375
					316,264	154,131
					48,311,036	42,051,379
Less: Vat on debtors balances/ Min: BTW op debiteure saldos						
Min: Voorsiening vir slegte skulde/Less: Provision for bad debts					3,518,227	-3,729,185
					-9,600,686	-10,560,408
					34,892,117	27,761,786
Diverse/Sundry						
Salarisse debiteure/Salaries debtors					751,000	2,719,464
Consumers Deposit/Crteds Susp Cons Cred					243,424	111,771
Britstown 130 House/Huise					0	26,056
Transfer bonanza					0	109,389
Kareeville sewerage network					0	9,485
De Aar East 106 houses/huise					0	16,134
Barcelona 68 Houses/Huise					0	586,584
EPWP					0	287,972
Environmental health					0	401,312
Local transitional fund					0	1,169
Intergration suspense accounts					0	251,420
Creditors control account						46,713
IDP Job creation					565,856	77,212
Mzwabantu electricity					0	12,126
					0	6,562
					35,290,885	32,435,291

Consumer Accounts Written Off for the year amounted to R3124818

AANTEKENINGE TOT DIE FINANSIëLE STATE SOOS OP 30 JUNIE 2006
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	2005/2006	2004/2005
11. Uitgestelde Koste: **Deferred charges:**		
Geen uitgestelde koste vir die jaar nie. No deferred charges for the year	-	-
12. Voorsienings: **Provisions:**		
Voorsiening vir ouditgelde/Provision for Audit	336,876	155,421
Verlofvoorsienings/Leave reserve	2,071,179	633,298
	2,408,054	788,719
(Sien aanhangsel "A" vir meer besonderhede) (Refer to appendix "A" for more details)		
13. Krediteure: **Creditors:**		
Handelskrediteure/Trade Creditors	626,538	2,661,742
Ander Deposito`s/Sundry Deposits	102,361	92,970
Vooruitontvangstes/Payments in advance	700,847	709,866
Afwagrekening/Suspense account - Capital Project creditors	3,797,880	5,338,473
- Unknown Deposits	3,895,462	3,923,443
O & M Telemetry	20,493	-
- Hanover bulk water supply	324,000	27,429
- Britstown Ground Water Research	-442,074	
Dry Sanitation - Hanover		90,418
Sports Ground Imporvement	0	39,545
Fencing Cemetery	0	35,123
Britstown Bulk Water Supply	0	91,455
Electrification	-	131,060
San brt & hnv draaught relief	0	1,000,000
Ander Diverse Krediteure	855,233	117,449
Ongespandeerde Leningsgeld/Unspent Loan money		0
BTW kontrole	570,254	442,183
STD Bank Control Account	-	-
Suspense Contra Account	0	158,094
	6,653,114	9,520,777

14 Eiendomsbelasting:
Assessment Rates:

	Grond Waardasie/ Land Valuation on 01/07/2001	Werklike Inkomste Actual Income 2005/2006	Werklike Inkomste Actual Income 2004/2005
Belasbare Eiendom:/Taxable Property	213,328,822	7,779,215	6,981,079
Nie Belasbare Eiendom Rente/Non-taxable property	237,358,252	-	-
Gemiddelde waarde per R1/Average value per R1	0.0365	0.0327	

Die waardering van grond vind elke 10 jaar plaas en die algemene skatting het op 1 Julie 1994 in werking getree. Die koers was 2.86c in die Rand op die waarde van verbeteringe. `n Korting van 40% is aan pensioentrekkers en behoeftiges met `n inkomste van R21 360 en minder per jaar toegestaan.
The valuation of land is performed every ten years and the general estimates came into effect on 1 July 1994. The basic rate was 2.86c in the Rand on the value of improvements. A rebate of 40% was granted to pensioners and indigent persons with an income of R21 360 and less per year.

AANTEKENINGE TOT DIE FINANSIëLE STATE SOOS OP 30 JUNIE 2006
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	2005/2006	2004/2005
15 Raadslede se Toelaes: Councillors' Allowances:		
Burgermeester se Toelae/Mayor's allowance	234,244	278,864
Speaker allowance	225,350	232,696
Raadslede se Toelae/Councillor's allowance	848,383	833,433
Pensioenbydrae van Raadslede/Pension contribution Councillors	128,007	122,138
Mediese fondsbydrae/Medical Aid contribution Councillors	49,306	66,636
	1,485,290	1,533,767
Bestuurders se Vergoeding/ Managers' Remuneration		
Munisipale Bestuurder	576,355	541,407
Adjunk Munisipale Bestuurder	517,022	486,404
Finansiele Bestuurder	485,204	-
Bestuurder Infrastruktuur Dienste	519,998	-
Bestuurder Sosiale Dienste	512,776	-
Bestuurder Korporatiewe Dienste	505,748	-
	3,117,104	1,027,811
16 Ouditeursvergoeding: Auditors' Remuneration:		
Ouditgelde/Audit fees	330,933	187,388
17 Finansieringstransaksies: Financial transactions:		
Totale eksterne rente verdien of betaal/		
Total external interest earned or paid		
Rente verdien: Beleggings en debiteure		
Interest earned: Investments and debtors	2,672,474	1,705,373
Rente betaal/Interest paid	-1,079,103	-830,641
	1,593,372	874,732
Kapitaalkoste teen bedryfsrekening gedebiteer		
Capital charges debited to operating account		
Rente: Ekstern/Interest: External	1,079,103	830,641
Rente: Intern/Interest: Internal	76,342	82,137
Delging: Ekstern/Redemption: External	3,637,880	575,909
Delging: Intern/Redemption: Internal	58,246	86,550
Plus Delging: Delgingsfonds/Plus Redemption: Redemption fund	-	-
	4,851,571	1,575,237
18 Aanwendings Appropriations:		
Aanwendingsrekening/Appropriations		
Onaangewende oorskot aan die begin van die jaar/		
Accumulated surplus at the beginning of the year	9,682,377	5,239,321
Surplus/ (Tekort) vir die jaar/Surplus/(Deficit) for the year	130,791	957,883
Aansuiwerings van vorige jaar/Prior year adjustments	701,178	3,485,173
	10,514,346	9,682,377
Bedryfsrekening/Operating account		
Kapitaaluitgawe/Capital expenditure	120,000	300,000
Bydrae: Wentelfonds/Contributions: Revolving fund	692,941	
Bydrae: Verlofreserwefonds/Contribution: Leave reserve	1,484,075	150,000
Bydrae: Ouditgelde/Contribution: Audit Fees	450,000	311,958
	2,747,016	761,958

AANTEKENINGE TOT DIE FINANSIëLE STATE SOOS OP 30 JUNIE 2006
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	2005/2006	2004/2005
19 Kontant deur bedrywighede voortgebring / Cash generated by operations:		
(Tekort) / Oorskot vir die jaar/(Deficit)/Surplus for the year	130,791	957,885
Aansuiwerings tov. vorige jare se bedryfstransaksies/ Adjustments in respect of previous years	701,178	3,485,173
Aanwendings teen Inkomste gedebiteer:/ Appropriations charged against income	8,209,519	5,848,258
Kapitaaluitgawe/Capital expenditure	-	-
Wentelfonds/Revolving fund	692,941	
Voorsienings en reserwes/Provisions and reserves	3,761,958	3,761,958
Vaste bates/Fixed Assets	3,754,620	2,086,300
Kapitaal Uitgawes/Capital Expenditure	1,264,729	1,592,425
Rente Betaal:/Interest Paid:		
Interne Fondse/Internal Funds	76,342	82,137
Eksterne Lenings/External loans	1,079,103	830,641
Delging Betaal/Redemption paid		
Interne Fondse/Internal Funds	58,246	86,550
Eksterne Lenings/External loans	3,637,880	575,909
Nie bedryfsinkomste uit fondse/Non-operating income from funds	0	1,783,700
Nie Bedryfsuitgawes/Non-operating expenditure		
Fondse Gedebiteer/Funds debited		
Voorsienings en Reserwe Gedebiteer/Provisions and reserves debited	-3,586,843	-1,766,512
	10,306,217	11,883,741
20. (Toename) / Afname in Bedryfskapitaal (Increase) /Decrease in working capital		
(Toename) / Afname in Voorraad/(Increas)/Decrease in stock	125,070	-19,941
(Toename) / Afname in Debiteure/(Increase)/Decrease in Debtors	-2,089,374	-2,089,374
Toename / (Afname) in Krediteure/Increase/(Decrease) in Creditors	-2,834,144	-7,993,290
	-4,798,448	-10,102,605
21. Toename / (Afname) in Langtermynlenings (Ekstern) Increase/(Decrease) in long-term loans (External)		
Lenings opgeneem /Loans raised	278,050	3,659,935
Min: Lenings terugbetaal /Less: Loans repaid	-967,707	-575,909
	-689,657	3,084,026

AANTEKENINGE TOT DIE FINANSIëLE STATE SOOS OP 30 JUNIE 2006
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	2005/2006	2004/2005
22 (Toename) / Afname in Eksterne Kontantbeleggings (Increase) /Decrease in external investments		
Beleggings gemaak/Investments made	772,012	
Beleggings gerealiseer/Investments realised	-	-1,688,815
	772,012	-1,688,815
23 (Toename) / Afname in kontant voorhande (Increase) /Decrease in cash on hand		
Banksaldo - Begin van die jaar:/ Cash and Bank balance at beginning of year	-4,702,329	-1,733,492
Min: Saldo aan die einde van die jaar:/ Less: Cash balances at the end of the year	-5,022,892	-4,702,329
	320,563	2,968,837

24 Aftreevoordele
Retirement Benefits

Die amptenare behoort aan die Sala. Kaapse Gemeenskaplike Pensioen en Aftreefondse, en die Raadslede aan die Pensioenfonds vir Raadslede. Die aktuariële waarde kan by navraag voorgelê word.
The officials are members of the Cape Joint Pension Fund, Imatu and SAMWU. The acturial valuation can be provided on request.

25 Voorwaardelike aanspreeklikheid en Kontraktuele verpligtings
Contingent liabilities and contractual obligations

Die Raad het geen kontraktuele verpligtinge nie.
The Council has no contingent liabilities.

26 Kapitaalverpligtings/
Capital commitments

Verpligtings ten opsigte van kapitaaluitgawe:/ Commitments in respect of capital expenditure:		
- Goedgekeur en gekontrakteer/Approved and contracted	-	-
- Goedgekeur maar nog nie gekontrakteer/Approved but not contracted	-	-
	-	-
Hierdie uitgawe sal uit die volgende gefinansier word:/ This expenses will be financed from:		
- Interne bronne/Internal sources	-	-
- Eksterne bronne/External sources	-	-
	-	-

AANTEKENINGE TOT DIE FINANSIëLE STATE SOOS OP 30 JUNIE 2006
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2006

	2005/2006	2004/2005
27. Wentelfonds/ Revolving Fund		
Uitstaande voorskote aan leendienste/ Outstanding advances to borrowing services		
Opgehoopte fonds /Accumulated Funds	16,264,044	15,756,190
Min: Interne voorskotte aan leendienste Less: Internal advances to borrowing services	16,264,044	15,756,190
	-	-

(Verwys na Aanhangsel B vir meer besonderhede)
(Refer to appendix B for more details)

AANHANGSEL A/APPENDIX A

Opgehoopte Fondse, Trustfondse, Reserwes en Voorsienings
Accumulated Funds, Trust funds, Reserves and Provisions

	Saldo op/ Balance at 30/06/2005	Bydraes Gedurende die jaar/ Contributions during the year	Rente op beleggings/ Interest on investments	Ander Inkomste/ Other Income	Uitgawes gedurende die jaar Expenditure during the year	Saldo op/ Balance at 30/06/2006
	R	R	R	R	R	R
Opgehoopte Fonds:/Accumulated Funds:						
Wentelfonds/Revolving fund	15,756,190	692,941.40	1,275,150		1,460,237	16,264,044
Britstown Water Research	0	2,982,872.66	13,933			2,996,806
Library Fund	0	140,000.00	671			140,671
Delging: Riool/Redemption: Sewerage	1,001,205	-	22,207	-	683,965.14	339,447
Hondebelasting/Dog Tax	120,711	-	8,450	-	-	129,161
Ander Fondse/Other Funds						
LED Veg Tunnel	393,032.00	-	4,744		397,776	0
Finance Management Grant	665,733	-	3,802	-	667,737	1,798
	17,936,871	3,815,814.06	1,320,412	0	3,209,715	19,871,928
Voorsienings:/Provisions:						
Verlofvoorsiening/Leave provision	633,298	1,484,075	-	-	46,194	2,071,179
Voorsiening vir ouditgelde/Provision for audit	155,421	512,388	-	-	330,933	336,876
Voorsiening vir slegte skuld:/Provisions for bad debts	10,560,408	2,365,087	-	-	3,124,810	9,800,685
	11,349,127	4,361,550	-	-	3,501,937	12,208,739
	29,285,998	8,177,364	1,320,412	0	6,711,652	32,080,667

AANHANGSEL B/APPENDIX B

Eksterne Lenings en Interne Voorskotte
External Loans and Internal Advances

	Interest rate/ Rente koers	Final payment/ Finale paaiment	Saldo op Balance at 30/06/2005	Gedurende die jaar ontvang Received during the year	Regstelling van opening saldo Correction of opening balance	Gedurende die jaar gedelg of afgeskryf Redeemed or writte off during the year	Saldo op Balance at 30/06/2006
EKSTERNE LENINGS/EXTERNAL LOANS							
Privaat lenings/Private loans	9.29%	30/06/2004		-	636,362	370,687	265,674.84
Staatslenings/Government loans	10.50%,15.25%	30/06/2009,30/06/2007	636,362	-	-636,362		-
Ontwikkelingsbank van S.A	10.00%-12.00%	31/03/2016,31/03/2017,30/09/2010	9,837,022	2,948,223		3,267,193	9,518,052
			10,473,384	2,948,223	0	3,637,880	9,783,727
INTERNE VOORSKOTTE/INTERNAL ADVANCES							
Wentelfonds/Revolving fund			681,838	-	1,595	58,246	625,186
			681,838	0	1,595	58,246	625,186

AANHANGSEL C/APPENDIX C
ONTLEDING VAN VASTE BATES/ANALYSIS OF FIXED ASSETS

Uitgawe Expenditure 2005		Begroot Budgeted 2006	Saldo Balance 30/06/2005	Uitgawe Expenditure 2006	Afgeskryf/ Oorgeplaas Written off/ transferred	Saldo Balance 30/06/2006
6,260,189	**Belasting en Algemene Dienste/ Rates and General Services**	-	109,694,116	4,403,013	828,057	113,269,072
2,681,503	*Gemeenskapsdienste/ Community Services*	-	77,041,786	2,301,638	528,057	78,815,367
-	Belasting en Algemeen/Rates and general (MNET)	-	106,687	-	-	106,687
142,634	Grond/Land	-	899,054	-	-	899,054
19,665	Geboue/Buildings	-	12,187,332	246,443	17,962	12,415,813
2,273,429	Strate/Streets	-	50,347,367	1,350,257	247,879	51,449,745
-	Stormwater/Storm water	-	263,613	-	-	263,613
-	Meubels en Toerusting/Furniture and equipment	-	1,137,365	142,459	62,216	1,217,608
-	Bedryfstoerusting/Operating Equipment (VEHICLES)	-	2,800,729	262,478	-	3,063,207
234 1::1	Meent/Communal	-	7,451,309	-	-	7,451,309
11,914	Begraafplaas Oos/Cemetary East	-	458,375	300,000	200,000	558,375
-	Werkswinkel/Workshop	-	72,340	-	-	72,340
-	Ontwikkeling Indus/Geboue/Development Indus Buildings	-	901,779	-	-	901,779
-	Weerstasie/Weather station	-	294,750	-	-	294,750
-	Verkeerstekens/Traffic signs	-	36,658	-	-	36,658
-	Behuising	-	-	-	-	-
-	Gemeenskapsaal	-	-	-	-	-
-	Mziwabantu	-	-	-	-	-
-	Vliegveld	-	-	-	-	-
-	Biblioteek	-	-	-	-	-
-	Museum	-	4,280	-	-	4,280
-	Veldestoor	-	522	-	-	522
-	Woonpark	-	630	-	-	630
-	Burgerlike Beskerming	-	0	-	-	-
-	Ambulans	-	9,419	-	-	9,419
-	Voertuie/Masjienene	-	69,577	-	-	69,577
		-	-	-	-	-
266,855	*Gesubsidieerde dienste/Subsidised services*	-	2,327,239	495,646	-	2,822,885
-	Industriele Spoorlyn/Industrial railway line	-	387,096	-	-	387,096
266,855	Sportgronde en Parke/Parks and recreation grounds	-	1,427,895	482,066	-	1,909,961
-	Voertuigtoetsstasie/Motor vehicle test station	-	301,641	13,580	-	315,221
-	Swembad/Swimming Pool	-	210,607	-	-	210,607
3,311,831	*Ekonomiese dienste/Economic services*	-	30,325,091	1,605,729	300,000	31,630,820
1,870,608	Sanitere Werke/Sanitary works	-	4,705,153	364,342	-	5,069,495
1,441,223	Riolering/Sewerage	-	25,619,939	1,241,387	300,000	26,561,326
93,138	**Behuisingsdienste/Housing services**	-	4,028,999	193,452	-	4,222,451
93,138		-	4,028,999	193,452	-	4,222,451
93,138	Sub Ekonomiese Behuising/Sub Economic Housing	-	4,028,999	193,452	-	4,222,451
1,977,244	**Handelsdienste/Trading services**	-	68,900,129	7,350,664	200,000	76,050,793
1,977,244		-	68,900,129	7,350,664	200,000	76,050,793
1,281,619	Water	-	19,669,619	3,412,263	200,000	22,881,882
695,625	Elektrisiteit/Electricity	-	49,230,510	3,938,401	-	53,168,911
8,330,571	**TOTALE VASTE BATES**	-	182,623,244	11,947,129	1,028,057	193,542,316
	TOTAL FIXED ASSETS					
-5,664,416	**Lenings afgelos en ander kapitaalontvangstes/**	-	-171,468,019	-12,693,440	1,028,057	-183,133,402
-5,664,416	**Loans redeemed and advances paid back**	-	-171,468,019	-12,693,440	1,028,057	-183,133,402
-662,460	Lenings gedelg en voorskotte terugbetaal/	-	-18,740,191	-967,707	-	-19,707,898
-	Loans redeemed and advances paid back	-	-	-	-	-
-2,417,613	Bydraes uit bedryfsinkomste/Contributions ex operating income	-	-40,318,801	-4,013,557	-	-44,332,358
-	Voorsiening en reserwes/Provisions and reserves	-	-	-	-	-
-	Lenings afgelos	-	-	-	-	-
-2,584,343	Skenking en subsidies/Grants and subsidies	-	-112,409,027	-7,712,176	1,028,057	-119,093,146
13,994,987	*Netto Vaste Bates/Net Fixed Assets*	-	11,155,226	-746,311	-	10,408,914

AANHANGSEL D/APPENDIX D

Ontleding van Bedryfsinkomste en -Uitgawe vir die jaar geëindig 30 Junie 2006
Analysis of Operating Income and -Expenditure for the year ended 30 June 2006

Werklik Actual 2005 R		Werklik Actual 2006 R	Begroot Budgeted 2006 R
	Inkomste/Income		
	Staat en Provinsiale hulptoelaes en Subsidies/		
0	Government and Provincial grants	10,092,457	9,921,000
40,308,694	Bedryfs inkomste/Operating Income	46,286,803	48,449,700
6,240,594	Eiendomsbelasting/Rates	7,581,078	7,663,800
7,724,500	Verkoop van water/Sale of water	8,890,179	9,277,800
16,322,224	Verkoop van elektrisiteit/Sale of electricity	18,702,426	20,539,100
10,021,376	Ander dienste /Other services	11,113,120	10,969,000
425,694	Rente verdien	1,428,405	647,000
9,825,211	Ander inkomste	2,308,306	1,713,000
50,559,599		60,115,970	60,730,700
	Uitgawes/Expenditure		
20,389,753	Salarisse, lone en toelaes/Salaries, wages and allowances	22,176,845	26,385,400
19,370,299	Algemene onkoste/General expenses	26,146,942	24,855,200
8,405,405	- Aankoop van elektrisiteit/bulk electricity	9,302,812	10,300,000
463,836	- Aankoop van water/bulk water	481,166	490,000
10,501,058	- Ander algemene onkoste/Other general expenditure	16,362,963	14,065,200
2,136,806	Herstel en Onderhoudswerke/Repairs and maintenance	3,431,824	3,238,600
1,747,718	Kapitaalonkoste/Capital charges	2,030,998	2,180,600
-	Bydraes tot vaste bates/Contributions to fixed assets	3,754,620	3,350,600
4,429,161	Bydraes tot Fondse Reserwes en Voorsienings/Contributions	2,443,954	720,000
48,073,737	***Bruto Uitgawe/Gross Expenditure***	59,985,182	60,730,400

AANHANGSEL E/APPENDIX E
GEDETAILLEERDE INKOMSTESTAAT VIR DIE JAAR GEËINDIG 30 JUNIE 2006
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNIE 2006

Werklike Inkomste Actual Income 2005 R	Werklike uitgawe Actual expenditure 2005 R	Oorskot/(Tekort) Surplus/(Deficit) 2005 R	#	Werklike Inkomste Actual Income 2006 R	Werklike uitgawe Actual expenditure 2006 R	Oorskot/Surplus (Tekort/Deficit) 2006 R	Begroot Oorskot/ (Tekort) 05/06 Budget Surplus/ (Deficit) 05/06 R
27,886,562	36,820,335	-8,931,773	**Belasting en algemene dienste** **Rates and general services**	31,878,511	41,535,293	-9,656,782	-9,193,500
17,310,592	29,528,010	-12,217,418	*Gemeenskapsdienste/Community Services*	19,278,450	31,888,932	-12,610,481	-11,946,300
7,161,414	71,519	7,089,895	Eiendomsbelasting/Assessment rates	7,779,215	637,483	7,141,732	7,610,100
160,400	8,776,717	-8,616,317	Administrasie/Administration	46,800	3 149,649	-3,102,849	-3,643,900
9,209,208	9,567,273	-358,065	Algemene Uitgawes/General Expenses	9,741,823	9 079,097	662,727	2,814,300
		0	Munisipale Bestuurder / Municipal Manager	-	1,389,812	-1,389,812	-1,450,200
8,841	43,627	-34,786	Begraafplaas Oos/Cemetery East			0	
8,611	92,444	-83,833	Begraafplaas/Cemetery Nonz			0	
93,563	490,932	-397,369	Begraafplaas / Cemetery				
-	-	-	Finansiel Dienste / Financial Services	123,984	392,442	-268,458	-564,400
-	-17,224	17,224	Kantoor Uitgawes/Office expenditure	-	4,479,672	-4,479,672	-5,036,200
			PEO / LED	-	-	0	-
30,607	430,695	-400,089	Stadsaal /Town hall	11,986	0	11,986	
2,083	3,621,815	-3,619,732	Strate/Streets	36,855	446,184	-409,329	-486,800
27,203	356,650	-329,447	Swembad Wes/Swimming pool West	196,509	3,624,264	-3,517,756	-3,426,600
10,294	149,355	-139,061	Swembad Oos/Swimming pool East	39,794	541,262	-501,468	-623,900
542,550	833,611	-291,061	Verkeers Dept/Traffic Dept			0	
-	434,203	-434,203	Werkswinkel/Workshop	1,327,583	1,164,182	163,401	-295,100
11,424	28,748	-17,324	Gemeenskapsaal/Community hall	-	445,065	-445,065	-515,000
3,829	55,794	-51,965	Gemeenskapsaal/Community hall Nonz	22,289	182,264	-159,995	-173,800
14,266	24,070	-9,804	v/d Merwe Woonwapark/Caravan Park			0	
		0	Oasis Woonwapark/Caravan Park			0	
4,525	2,563	1,962	Woonwapark / Caravan Perk	-	-	-	
-	975,038	-975,038	Parke/Parks	25,197	29,104	-3,907	-10,300
6,472	286,696	-280,224	Sport en Ontspanning/Sports and recreation	-	1,324,676	-1,324,676	-1,193,200
229	69,960	-69,731	Sport en Ontspan/ Sports and recreation - Nonz	6,746	292,739	-285,993	-403,800
-	796	-796	Sport en Ontspan/Sports and recreation - Menn			0	
-	1,862,005	-1,862,005	Council Expenses	-		0	
15,073	1,370,722	-1,355,649	Geboue/Buildings	9,669	3,014,503	-3,014,503	-2,955,200
					1,696,514	-1,686,844	-1,590,500
12,121	1,800,814	-1,788,693	*Gesubsidieerde Dienste/Subsidised Services*	699,158	2,358,651	-1,659,493	-1,257,100
10,370	630,757	-620,387	Openbare Biblioteek/Public Library	21,797	1,366,264	-1,344,467	-1,004,700
859	160,384	-159,525	Libra Biblioteek/Library			0	
756	214,753	-213,997	Nonz Biblioteek/Library			0	
-	-	-	Rural Areas	-	-	-	
-	48,105	-48,105	Brandweer/Fire protection	923	172,155	-171,231	-207,000
136	746,815	-746,679	Primêre Gesondheid/Primary Health Services	676,437	820,232	-143,795	-45,400
10,565,649	5,491,511	5,074,338	*Ekonomiese Dienste/Economic Services*	11,900,903	7,287,710	4,613,192	4,009,900
6,176,893	3,037,256	3,133,737	Riool/Sewerage	6,848,075	3,881,291	2,966,874	2,596,500
272,656	24,829	247,827	Meent/Commonage	248,295	47,915	200,380	41,000
101,205	182,318	-81,113	Toetsstasie/Test station	86,870	205,549	-118,679	-91,900
3,729,982	2,122,267	1,607,715	Vullis/Refuse	4,375,832	3,025,608	1,350,224	1,377,700
291,013	124,841	166,172	Motorvoertuigregistrasie/Motor Registrations	341,830	127,437	214,393	86,600
50,334	25,356	24,978	**Behuisingsdiens/Housing services**	33,560	1,046,621	-1,013,061	-2,255,200
25,632,574	15,767,894	9,864,680	**Handelsdienste/Trading Services**	28,203,900	17,403,265	10,800,635	11,479,000
8,336,237	2,409,200	5,927,037	Water	9,184,233	3,330,567	5,853,666	6,155,900
17,296,337	13,358,694	3,937,643	Elektrisiteit/Elctricity	19,019,667	14,072,698	4,946,969	5,323,100
53,571,470	52,613,585	957,886	**Totaal/Total**	50,115,970	59,985,180	130,791	
		3,485,173	Aanwendings vir jaar/Verwys na aantekening 18) Appropriations for the year (Refer to note 18)			701,178	
		4,443,058	Netto oorskot /(tekort) vir die jaar Net surplus/(deficit for the year			831,969	
		5,239,318	Onaangewende oorskot/(opgehoopte tekort) aan die begin van die jaar Accumulated surplus/(deficit) at the beginning of the year			9,682,376	
		9,682,376	Onaangewende oorskot/(opgehoopte tekort) aan die einde van die jaar Accumulated surplus/(deficit) at the end of the year	831,969		10,514,345	